

**PROPERTY TAX - CERTIFIED TAX RATE  
ADJUSTMENT**

2005 GENERAL SESSION  
STATE OF UTAH

**Sponsor: Gregory S. Bell**

---

---

**LONG TITLE**

**General Description:**

This bill amends the Property Tax Act to allow a taxing entity to make an adjustment to the taxing entity's certified tax rate and ad valorem tax revenue budget without complying with the notice and hearing requirements of Sections 59-2-918 and 59-2-919.

**Highlighted Provisions:**

This bill:

- defines terms;
- allows for an adjustment to a local taxing entity's ad valorem tax revenue budget and certified tax rate; and
- provides that a taxing entity may budget an increased amount of ad valorem tax revenue and levy a tax rate in excess of the taxing entity's certified tax rate, without complying with the notice and hearing requirements of Sections 59-2-918 and 59-2-919, to the extent that the increase of the budget and tax rate are due to the adjustment provided in this bill.

**Monies Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**



AMENDS:

**59-2-918**, as last amended by Chapter 127, Laws of Utah 1999

**59-2-919**, as last amended by Chapter 127, Laws of Utah 1999

---

---

*Be it enacted by the Legislature of the state of Utah:*

Section 1. Section **59-2-918** is amended to read:

**59-2-918. Advertisement of proposed tax increase -- Notice -- Contents.**

(1) (a) Except as provided in [~~Subsection~~] Subsections (1)(b) and (7), a taxing entity may not budget an increased amount of ad valorem tax revenue exclusive of revenue from new growth as defined in Subsection 59-2-924(2) unless it advertises its intention to do so at the same time that it advertises its intention to fix its budget for the forthcoming fiscal year.

(b) Notwithstanding Subsection (1)(a), a taxing entity is not required to meet the advertisement requirements of this section if the taxing entity collected less than \$15,000 in ad valorem tax revenues for the previous fiscal year.

(2) (a) For taxing entities operating under a July 1 through June 30 fiscal year, the advertisement required by this section may be combined with the advertisement required by Section 59-2-919.

(b) For taxing entities operating under a January 1 through December 31 fiscal year, the advertisement shall meet the size, type, placement, and frequency requirements established under Section 59-2-919.

(3) The form of the advertisement shall meet the size, type, placement, and frequency requirements established under Section 59-2-919 and shall be substantially as follows:

**"NOTICE OF PROPOSED TAX INCREASE**

The (name of the taxing entity) is proposing to increase its property tax revenue. As a result of the proposed increase, the tax on a (insert the average value of a residence in the taxing entity rounded to the nearest thousand dollars) residence will be \$\_\_\_\_\_, and the tax on a business having the same value as the average value of a residence in the taxing entity will be\_\_\_\_\_. Without the proposed increase, the tax on a (insert the average value of a residence in the taxing entity rounded to the nearest thousand dollars) residence would be \$\_\_\_\_\_, and the tax on a business having the same value as the average value of a residence in the taxing entity would be\_\_\_\_\_.

This would be an increase of \_\_\_\_\_%, which is \$\_\_\_\_\_ per year (\$\_\_\_\_\_ per month) on a (insert the average value of a residence in the taxing entity rounded to the nearest thousand dollars) residence or \$\_\_\_\_\_ per year on a business having the same value as the average value of a residence in the taxing entity. With new growth, this property tax increase, and other factors, (name of taxing entity) will increase its property tax revenue from \$\_\_\_\_\_ collected last year to \$\_\_\_\_\_ collected this year which is a revenue increase of \_\_\_\_\_%.

All concerned citizens are invited to a public hearing on the tax increase to be held on (date and time) at (meeting place)."

(4) If a final decision regarding the budgeting of an increased amount of ad valorem tax revenue is not made at the public hearing, the taxing entity shall announce at the public hearing the scheduled time and place for consideration and adoption of the proposed budget increase.

(5) (a) Each taxing entity operating under the January 1 through December 31 fiscal year shall by March 1 notify the county of the date, time, and place of the public hearing at which the budget for the following fiscal year will be considered.

(b) The county shall include the information described in Subsection (5)(a) with the tax notice.

(6) A taxing entity shall hold a public hearing under this section beginning at or after 6 p.m.

(7) (a) For purposes of this Subsection (7):

(i) "budget amount of the prior year" means the amount of the ad valorem tax revenue budgeted by a taxing entity for the year before the year for which the taxing entity sets the budget described in Subsection (7)(b);

(ii) "consumer price index" is as described in Section 1(f)(4), Internal Revenue Code, and defined in Section 1(f)(5), Internal Revenue Code;

(iii) "consumer price index increase" means the difference between:

(A) the budget amount of the prior year multiplied by the consumer price index for the year before the year for which the taxing entity sets the budget described in Subsection (7)(b); and

(B) the budget amount of the prior year.

(b) A taxing entity may budget an increased amount of ad valorem tax revenue, in addition to revenue from new growth as defined in Subsection 59-2-924(2), without complying

with this section or Section 59-2-919, if the amount of that increase is no greater than the lesser of:

(i) 50% of the consumer price index increase; or

(ii) 2% of the budget amount of the prior year.

(c) A taxing entity may levy a tax rate in excess of the certified tax rate without complying with this section or Section 59-2-919 with regard to the portion of the rate in excess of the certified tax rate that is attributable to the increased amount of ad valorem tax revenue described in Subsection (7)(b).

Section 2. Section **59-2-919** is amended to read:

**59-2-919. Resolution proposing tax increases -- Notice -- Contents of notice of proposed tax increase -- Personal mailed notice in addition to advertisement -- Contents of personal mailed notice -- Hearing -- Dates.**

[A] Except as provided in Subsection 59-2-918(7)(c), a tax rate in excess of the certified tax rate may not be levied until a resolution has been approved by the taxing entity in accordance with the following procedure:

(1) (a) (i) The taxing entity shall advertise its intent to exceed the certified tax rate in a newspaper or combination of newspapers of general circulation in the taxing entity.

(ii) Notwithstanding Subsection (1)(a)(i), a taxing entity is not required to meet the advertisement requirements of this section if the taxing entity collected less than \$15,000 in ad valorem tax revenues for the previous fiscal year.

(b) The advertisement shall be no less than 1/4 page in size and the type used shall be no smaller than 18 point, and surrounded by a 1/4-inch border.

(c) The advertisement may not be placed in that portion of the newspaper where legal notices and classified advertisements appear.

(d) It is legislative intent that, whenever possible, the advertisement appear in a newspaper that is published at least one day per week.

(e) It is further the intent of the Legislature that the newspaper or combination of newspapers selected be of general interest and readership in the taxing entity, and not of limited subject matter.

(f) The advertisement shall be run once each week for the two weeks preceding the adoption of the final budget.

(g) The advertisement shall state that the taxing entity will meet on a certain day, time, and place fixed in the advertisement, which shall be not less than seven days after the day the first advertisement is published, for the purpose of hearing comments regarding any proposed increase and to explain the reasons for the proposed increase.

(h) The meeting on the proposed increase may coincide with the hearing on the proposed budget of the taxing entity.

(2) The form and content of the notice shall be substantially as follows:

**"NOTICE OF PROPOSED TAX INCREASE**

The (name of the taxing entity) is proposing to increase its property tax revenue. As a result of the proposed increase, the tax on a (insert the average value of a residence in the taxing entity rounded to the nearest thousand dollars) residence will be \$\_\_\_\_\_, and the tax on a business having the same value as the average value of a residence in the taxing entity will be \$\_\_\_\_\_. Without the proposed increase the tax on a (insert the average value of a residence in the taxing entity rounded to the nearest thousand dollars) residence would be \$\_\_\_\_\_, and the tax on a business having the same value as the average value of a residence in the taxing entity would be \$\_\_\_\_\_..

The (insert year) proposed tax rate is \_\_\_\_\_. Without the proposed increase, the rate would be \_\_\_\_\_. This would be an increase of \_\_\_\_\_%, which is \$\_\_\_\_\_ per year (\$\_\_\_\_\_ per month) on a (insert the average value of a residence in the taxing entity rounded to the nearest thousand dollars) residence or \$\_\_\_\_\_ per year on a business having the same value as the average value of a residence in the taxing entity. With new growth, this property tax increase, and other factors, (name of taxing entity) will increase its property tax revenue from \$\_\_\_\_\_ collected last year to \$\_\_\_\_\_ collected this year which is a revenue increase of \_\_\_\_\_%.

All concerned citizens are invited to a public hearing on the tax increase to be held on (date and time) at (meeting place)."

(3) The commission shall adopt rules governing the joint use of one advertisement under this section or Section 59-2-918 by two or more taxing entities and may, upon petition by any taxing entity, authorize either:

(a) the use of weekly newspapers in counties having both daily and weekly newspapers where the weekly newspaper would provide equal or greater notice to the taxpayer; or

(b) the use of a commission-approved direct notice to each taxpayer if the cost of the advertisement would cause undue hardship and the direct notice is different and separate from that provided for in Subsection (4).

(4) In addition to providing the notice required by Subsections (1) and (2), the county auditor, on or before July 22 of each year, shall notify, by mail, each owner of real estate as defined in Section 59-2-102 who is listed on the assessment roll. The notice shall:

(a) be sent to all owners of real property by mail not less than ten days before the day on which:

(i) the county board of equalization meets; and

(ii) the taxing entity holds a public hearing on the proposed increase in the certified tax rate;

(b) the notice shall be printed on a form that is:

(i) approved by the commission; and

(ii) uniform in content in all counties in the state;

(c) contain for each property:

(i) the value of the property;

(ii) the date the county board of equalization will meet to hear complaints on the valuation;

(iii) itemized tax information for all taxing entities, including a separate statement for the minimum school levy under Section 53A-17a-135 stating:

(A) the dollar amount the taxpayer would have paid based on last year's rate; and

(B) the amount of the taxpayer's liability under the current rate;

(iv) the tax impact on the property;

(v) the time and place of the required public hearing for each entity;

(vi) property tax information pertaining to taxpayer relief, options for payment of taxes, and collection procedures;

(vii) other information specifically authorized to be included on the notice under Title 59, Chapter 2, Property Tax Act; and

(viii) other property tax information approved by the commission.

(5) (a) The taxing entity, after holding a hearing as provided in this section, may adopt a resolution levying a tax rate in excess of the certified tax rate.

(b) If a resolution adopting a tax rate is not adopted on the day of the public hearing, the scheduled time and place for consideration and adoption of the resolution shall be announced at the public hearing.

(c) If a resolution adopting a tax rate is to be considered at a day and time that is more than two weeks after the public hearing described in Subsection (4)(c)(v), a taxing entity, other than a taxing entity described in Subsection (1)(a)(ii), shall advertise the date of the proposed adoption of the resolution in the same manner as provided under Subsections (1) and (2).

(6) (a) All hearings shall be open to the public.

(b) The governing body of a taxing entity conducting a hearing shall permit all interested parties desiring to be heard an opportunity to present oral testimony within reasonable time limits.

(7) (a) Each taxing entity shall notify the county legislative body by March 1 of each year of the date, time, and place of its public hearing.

(b) A taxing entity may not schedule its hearing at the same time as another overlapping taxing entity in the same county, but all taxing entities in which the power to set tax levies is vested in the same governing board or authority may consolidate the required hearings into one hearing.

(c) The county legislative body shall resolve any conflicts in hearing dates and times after consultation with each affected taxing entity.

(8) A taxing entity shall hold a public hearing under this section beginning at or after 6 p.m.

---

---

**Legislative Review Note**  
**as of 2-8-05 1:54 PM**

Based on a limited legal review, this legislation has not been determined to have a high probability of being held unconstitutional.

**Office of Legislative Research and General Counsel**

---

**Fiscal Note**  
**Bill Number SB0189**

---

**Property Tax - Certified Tax Rate Adjustment***14-Feb-05**10:24 AM*

---

**State Impact**

Passage of this bill could increase local revenues by \$10,000,000 annually.

	<u>FY 2006</u> <u>Approp.</u>	<u>FY 2007</u> <u>Approp.</u>	<u>FY 2006</u> <u>Revenue</u>	<u>FY 2007</u> <u>Revenue</u>
Local Revenue	\$0	\$0	\$10,000,000	\$10,000,000
<b>TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$10,000,000</b>	<b>\$10,000,000</b>

---

**Individual and Business Impact**

Individual and Business property taxes will increase over time.

---

**Office of the Legislative Fiscal Analyst**